

Exhibit 3 – Alliance to Protect Nantucket Sound
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Excerpted Transcript of:

**Testimony on behalf of Massachusetts Attorney General Tom Reilly**

Presented by Alice E. Moore, Chief Public Protection Bureau.

MMS Public Hearing

Dedham Massachusetts

May 25, 2006

(Emphasis added)

Good evening. My name is Alice Moore and I'm here testifying tonight on behalf of Massachusetts Attorney General Tom Reilly. I really appreciate the opportunity to appear before you as MMS embarks on this important task of creating a regulatory program to govern alternative energy uses of the outer continental shelf. I would like to make four main points this evening, one is the importance of planning. In regulating land use, we have seen that comprehensive planning is the key to a sound, productive process, the same principles should apply to the use of our oceans. **Before MMS allows any new development on the outer continental shelf, we believe it should produce a comprehensive plan to determine where potential uses should be allowed.** Such a plan should rest of course on the best available science, but we also realize that developing such a plan means making judgment about what uses, if any, are allowed in particular areas. For that very reason, it's critical that the plan be produced through an open public process that relies primarily on state and local input. **The comprehensive plan can then help guide MMS as it exercises its regulatory authority and it will ensure that development is located where we, as a society, conclude it is appropriate and is prohibited where we conclude it is not.** The second point, projects in the pipeline. Second, we should look at how the agency's regulatory authority applies to projects that have already been proposed. We have already submitted to MSS a written analysis of the so called savings provision included in last year's Energy Policy Act. There may be some dispute about the exact meaning of the provision, but there can be no reasonable debate that any actions that do not already have authorization need full MMS review and approval. **We believe that MMS should not, indeed can not grant any new approvals, even for projects already in the pipeline, until it has developed the standards it will use to make its decisions.** And, as we pointed out in our written comments, MMS can and should allow projects, again, even those already in the pipeline, to go forward only on a competitive bid basis. The scale of the projects authorized. Third, we encourage MMS to adopt restrictions on the size of projects. The Outer Continental Shelf Lands Act generally limits the maximum area that can be authorized for oil and gas leases to 5,760. We urge the agency to incorporate similar provisions against licenses over large swaths of the outer continental shelf in its standards for

alternative energy uses. A pending proposal to construct a wind energy project, known as Cape Wind, illustrates the importance of this issue. That project, consisting of approximately 130 turbines spread over 24 square miles of Nantucket Sound would cover almost three times the maximum area authorized under the oil and gas leasing provisions. Such a proposal contradicts the intent of the Outer Continental Shelf Lands Act not to put large portions of the outer continental shelf into private hands. **Finally, we want to stress the importance of MMS's implementing its new authority in a way that fully recognizes state interests in adjacent federal waters. Again, Cape Wind provides a helpful example. Nantucket Sound, as a whole, has been designated an ocean sanctuary under Massachusetts law, which generally prohibits, in those areas, the building of any structure on the sea bed, as well of the construction of offshore electric generating stations. Although these state prohibitions do not apply, of their own force, to the outer continental shelf, they still give us a clear expression of state policy about these waters.** This process that you are going through now is very helpful, and we very much appreciate being a part of the process and look forward to the establishment of regulations and standards that apply equally, whether or not a project is already in the pipeline. Thank you very much.